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Mid Year Status Report of Non-Tax Revenue Optimization Projects

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The Executive Office for Administration and Finance

and

The Office of the Comptroller

January 30, 1998

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE • ROOM 373
BOSTON, MA 02133

ARGEO PAUL CELLUCCI
GOVERNOR

CHARLES D. BAKER
SECRETARY

TEL: (617) 727-2040
FAX: (617) 727-2779

January 30, 1998

Honorable Paul R. Haley, Chairperson
House Committee on Ways and Means
Room 237
State House
Boston, MA 02133

Dear Representative Haley:

The purpose of this letter is to transmit the mid year report of the Non Tax Revenue Optimization Campaign, as required by section 238 of the general appropriation act for FY98.

The report is in a format similar to the past several years: a) narrative, b) chart with itemized projects and numbers, and c) base revenue evaluation forms. Additional detail on individual projects is available upon request.

For FY98 the target for net additional revenues (after providing for vendor participation payments, certain expenses directed by legislation to the Rev Max Fund, and an amount not to exceed $4.5 million for department incentive allocation) is $30.0 million. Our current estimate for FY98 net additional revenue is $43,904,851. Thus it appears likely the program will exceed expectations in FY98.

The Non Tax Revenue Optimization Campaign has been proposed for continuation in FY99, and the relevant sections are included in House 1A.

If you would like additional information about this important and successful program, please do not hesitate to contact us.

William Kilmartin
State Comptroller
Office of the Comptroller

Kristen Keel
Chief of Staff
Executive Office for Administration
and Finance

cc: Paul Romary

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CHARLES D. BAKER
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TEL: (617) 727-2040
FAX: (617) 727-2779

January 30, 1998

Honorable Stanley C. Rosenberg, Chairperson
Senate Committee on Ways and Means
Room 212
State House
Boston, MA 02133

Dear Senator Rosenberg:

The purpose of this letter is to transmit the mid year report of the Non Tax Revenue Optimization Campaign, as required by section 238 of the general appropriation act for FY98.

The report is in a format similar to the past several years: a) narrative, b) chart with itemized projects and numbers, and c) base revenue evaluation forms. Additional detail on individual projects is available upon request.

For FY98 the target for net additional revenues (after providing for vendor participation payments, certain expenses directed by legislation to the Rev Max Fund, and an amount not to exceed $4.5 million for department incentive allocation) is $30.0 million. Our current estimate for FY98 net additional revenue is $43,904,851. Thus it appears likely the program will exceed expectations in FY98.

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If you would like additional information about this important and successful program, please do not hesitate to contact us.

William Kilmartin
State Comptroller
Office of the Comptroller

Kristen Keel
Chief of Staff
Executive Office for Administration
and Finance

cc: Edward Curley

Narrative

Narrative

Non Tax Revenue Optimization Campaign

The Non Tax Revenue Optimization Campaign in FY98 has continued to build upon the successful accomplishments of FY97 and FY96.

Transition from FY97 to FY98. The Rev Opt Team focused on several action items to assure a sustained effort from FY97 to FY98, with particular emphasis on the following areas.

- Through a process of discussion and negotiation with staff from the House and Senate Committees on Ways and Means, certain improvements were enacted in the statutory authorization. Specific improvements in the FY98 authorization (section 238) include a more effective definition of "base revenue" for vendor participation payments and the establishment of a realistic and accomplishable statewide "net additional revenue" target for department incentive allocation.

- Through a Request for Response (RFR) process the firm of Public Consulting Group (PCG) was retained to assist the Rev Opt Team and relevant state agencies in a re-examination of the domain of federal financial participation. Since the last comprehensive study in this area was conducted in FY95, and there have been numerous changes in federal law related to welfare reform, a four month study (June - Sept.) was completed. One product from this study is an analysis and comparison of federal legislation related to federal fundings. A second product is a new "feasibility and prospect" list which provides a useful basis for possible Rev Opt projects. Copies of these documents are available upon request.

- Additional work was completed to develop a licensing and merchandising capacity to generate new non tax revenues. This effort, launched in FY97, is an important attempt to expand Rev Opt beyond the boundaries of the traditional Federal Financial Participation.

- Additional work was completed to allow utilization of statewide assets such as buildings, towers, and high ground for placement of communications devices, thus creating a new source of non tax revenue. Again, this is an important attempt to branch out in new revenue optimization territory.

Workplan for FY98. As you will see in the itemized chart, there are 12 projects underway in FY98 for which specific, measurable revenue is expected to be collected and accounted in FY98. The gross additional revenue from these 12 projects is projected to be an amount in excess of $54M. After providing for estimated provider participation payments, certain expenses charged to the Rev Max Fund, and the full department incentive allocations of $4.5 million, the net additional revenue estimated for FY98 is approximately $43,904,851; an amount that exceeds the FY98 statewide target of $30 million by $13,904,851. Included on this list are a number of departments (DSS, RMV & MHD) whose department incentive allocations could be in jeopardy due to the Section 238 condition which states that "net additional revenues shall only be those amounts collected which are in excess

of the amounts projected in section 1B for each department, office, commission, and agency or successor." Details can be provided to further illustrate the difficulty for awarding department incentive allocations to departments with unrealizable FY98 revenue estimates.

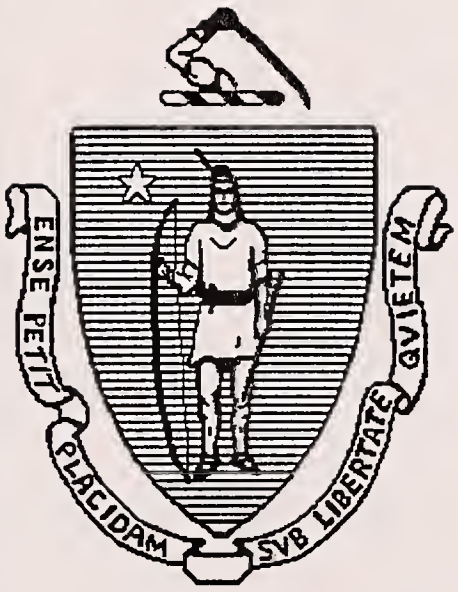
Consistent with our years of experience in managing revenue optimization projects, please be reminded that a high degree of variability exists when forecasting an individual project. This has been taken into account by the Rev Opt Team, so that the bottom line projections for FY98 have a high confidence factor.

In addition to the above, the Rev Opt Team is working with state agencies on an additional 23 projects. Some of these projects would generate revenue that is measurable and collectible in FY98, but the degree of uncertainty is high, so no project specific revenue estimate is set forth at this time. It is intended that many of these projects, started and actively worked upon in FY98, will mature and produce measurable and collectible revenue in FY99.

Within this list it is important to note that the traditional emphasis on projects to maximize federal financial participation is retained, while important initiatives directed into new aspects of non tax revenue are being developed. While it is still too early to predict the dollar results, the Rev Opt Team has high hopes that the merchandising initiative, the "towers" initiative, and the new advertising initiative will be productive new sources of non tax revenues.

Proposed for FY99 (House 1A). Authorization and continuation of the Rev Opt Campaign into FY99 is included in House 1A in section 2 item 1599-0033 and outside section 94. Most aspects of the authorization are repeated from FY98, with the only significant change being a proposed four tier net revenue target (with collateral department incentives). To address uncertainties in FY99 revenue potential, there is proposed a "basic" net additional revenue target of $10M (with $2.0M department incentive), a "more ambitious" net additional revenue target of $15M (with $2.5M department incentive), an "ambitious" net additional revenue target of $20M (with $3.0M department incentive), and a "most ambitious" net additional revenue target of $25M or more (with $3.5M department incentive).

Conclusion. While projects to maximize FFP continue to be the centerpiece of the Non Tax Revenue Optimization Campaign, these projects are becoming increasingly difficult. Efforts to develop new sources, such as described above, are important to sustain growth for "net additional revenue" in the future.



Summary Report

Commonwealth of Massachusetts

Revenue Bureau Report

FY98 RevOpt Projects

Mid-Year Status

Report Date: 1/30/98

Total Number of FY98 Projects in Report: 35

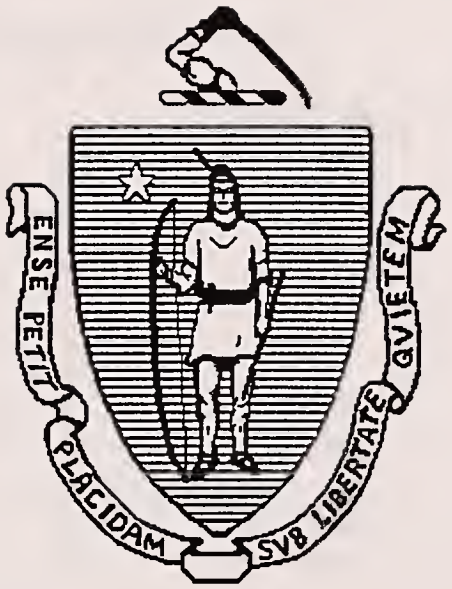
Status
1-High Probability

2-Low Probability

Stat	#	Dept	Description	Support Depts	Vendor		Projected Revenue	Thru 1/20/98 Gross Revenue Collected	Actual Vendor Payment	Projected Dept Incentive	Net RevOpt Revenue
1	R143		Merchandising, including sale of bottled water		Not Determined		TBD	0	0	TBD	0
1	R091	DMH	Maximize Medicare Reimbursement (retro claim)	DMA	Not Determined		3,884,000	0	0	TBD	0
1	R007	DMH	Retro Billing for suspended Medicaid Services Provided through DMH	DMA	Public Consulting Group		940,525	0	0	TBD	0
1	R006	DMH	Rehab Option Rate Adjustment	DMA	Andersen Consulting		13,426,533	13,426,533	1,230,736	TBD	12,195,797
1	R107	DMR	Increase claiming for administrative costs related to waiver services	DMA	Not Determined		1,396,215	0	0	TBD	0
1	R134	DMR	Expanded H&CBW to include day services clients.	DMA	Not Determined		15,000,000	0	0	TBD	0
1	R026	DMR	Obtaining Medicaid FFP through Waiver with MCB	DMA/MCB	PCG/DMA	**	14,773,817	14,773,817	50,000	TBD	14,723,817
1	R168	DSS	Collaborative Assessment Program	DMH/DMA	Not Determined		50,000	0	0	TBD	0
1	R044	DSS	Medicaid Targeted Case Management for DSS	DMA	Andersen Consulting /Public Consulting Group		148,787	0	0	TBD	0
1	R046	DSS	Medicaid Rehabilitation	DMA	Andersen Consulting /Public Consulting Group		1,789,174	0	0	TBD	0
1	R118	DYS	Residential Rehabilitative Services option/XIX for youths in residential settings, not lock-ups	DMA	Not Determined		2,150,000	0	0	TBD	0

Stat	#	Dept	Description	Support Depts	Vendor	Projected Revenue	Thru 1/20/98 Gross Revenue Collected	Actual Vendor Payment	Projected Dept Incentive	Net RevOpt Revenue
1	R119	DYS	Title IV-E reimbursement for youths who are eligible when entering DYS care	DSS	Not Determined	500,000	0	0	TBD	0
1	R094	MHD	Lease arrangements with wireless communications firms		Not Determined	200,000	0	0	TBD	0
1	R169	MIL	Lease arrangements with wireless communications firms		Not Determined	TBD	0	0	TBD	0
1	R161	RMV	Advertising on Web Site (8 million annual hits)		Not Determined	TBD	0	0	TBD	0
1	R162	RMV	Advertising Direct Mail (8 million pieced mailed annual, including 300,000 driving manuals)		Not Determined	TBD	0	0	TBD	0
1	R163	RMV	Advertising Branch Offices/Ticketing Systems and Posters (4M customers annual)		Not Determined	TBD	0	0	TBD	0
Total for Project Status: 1						**54,259,051**	**28,200,350**	**1,280,736**	**4,500,000**	**26,919,614**
2	R101	CHE	Maximize Medicare reimbursement for services provided at the Chelsea Soldiers' Home	EHS	Not Determined	TBD	0	0	TBD	0
2	R164	CHE	Antennae Leasing (watertower)		Not Determined	TBD	0	0	TBD	0
2	R125	DMH	Case management reimbursement rate adjustment process	DMA	Not Determined	TBD	0	0	TBD	0
2	R126	DMH	Institute for Mental Disease (IMD) services to 21-64 pop under new 1115 waiver provision	DMA	Not Determined	TBD	0	0	TBD	0
2	R151	DMR	Submit additional Family Support Services claims for Title XIX eligible waiver participants	DMA	Not Determined	TBD	0	0	TBD	0
2	R131	DOR	Assess contingency fees on all non-TANF cases to offset administrative costs	CSE	Not Determined	TBD	0	0	TBD	0

Stat	#	Dept	Description	Support Depts	Vendor	Projected Revenue	Thru 1/20/98 Gross Revenue Collected	Actual Vendor Payment	Projected Dept Incentive	Net RevOpt Revenue
2	R122	DSS	Reimbursement for Municipal Medicaid services paid entirely by DSS	DMA	Not Determined	TBD	0	0	TBD	0
2	R123	DSS	Reimbursement for $1.25 million in Post-Adoption services		Not Determined	TBD	0	0	TBD	0
2	R124	DSS	IV-E Reimbursement for Basic and Teen Parent Child Care Services not covered by CCDF		Not Determined	TBD	0	0	TBD	0
2	R137	DSS	DSS FFP for DOE funded Early Education 3-4 year old Foster Care Children	DOE	Not Determined	TBD	0	0	TBD	0
2	R166	DSS	Medicaid Administration	DMA	Not Determined	TBD	0	0	TBD	0
2	R167	DSS	Administrative Case Management	DMA	Not Determined	TBD	0	0	TBD	0
2	R120	DTA	Claim administrative costs under the Medicaid or Food Stamps programs using the CAP	DMA	Not Determined	TBD	0	0	TBD	0
2	R117	DYS	Targeted Case Management/XIX reimbursement for youths not in lock-ups	DMA	Not Determined	TBD	0	0	TBD	0
2	R100	EHS	Maximize Medicare reimbursement for services provided at the Holyoke Soldiers' Home	DMA	Not Determined	TBD	0	0	TBD	0
2	R140	ENV	High Ground Permits		Not Determined	TBD	0	0	TBD	0
2	R096	MHD	Charge for providing food and fuel service logo signs	MHD	Not Determined	TBD	0	0	TBD	0
2	R110	MIL	Raise nominal fee imposed for renting armory facilities	EPS	Not Determined	TBD	0	0	TBD	0
Total for Project Status: 2						**0**	**0**	**0**	**4,500,000**	**0**



Detail Report

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF MENTAL HEALTH**

Project#: R091

Reference: New - New

Description: Maximize Medicare Reimbursement (retro claim) - Title 18

Projected Rev: $3,884,000.00

Base Measurement Data:

Revenue Stream Analysis

Description: 5203

6 Year Revenue Test:	3,227,146.83
FY 98 Revenue Estimate Test :	2,699,382.00
Base Revenue :	**3,227,146.83**

Department Analysis

CHAPTER 43 1-B Test:	66,977,709.00
FY 98 Revenue	62,883,595.00
Base Revenue :	**66,977,709.00**

Comments: This project relates to prior year Medicare costs for State Hospitals and looks for "exceptions" that could have been requested for prior years which would increase reimbursement. DMH has filed requests with the Medicare Intermediary for FY94: $684,000; FY95: $1.6M and FY96: $1.6M.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

Signature — DATE: 1/30/98

DEPARTMENT OF MENTAL HEALTH

Budget Bureau

Pamela MacLeod — DATE: 1/30/98

Pam MacLeod

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DMH DEPARTMENT OF MENTAL HEALTH

Project#: R091 Reference #: New - New

Description: Maximize Medicare Reimbursement (retro claim) - Title 18

Projected Rev: $3,884,000.00

RFP/Vendor: Not Determined

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	1,880,359.88
FY93:	2,483,665.08
FY94:	2,311,189.20
FY95:	2,781,863.00
FY96:	2,698,381.02
FY97:	3,227,146.83

MMARS
RSRC: 5203

Total by Dept Revenue Stream

* 6 Year Revenue Test:	3,227,146.83
FY 98 Revenue Estimate Test:	2,699,382.00
Base Revenue:	**3,227,146.83**

FY 98 RSRC Revenue Estimate:	2,699,382.00
Total RevOpt Project Revenue:	3,884,000.00
Associated Revenue Stream:	0.00
Total:	6,583,382.00
Base Revenue:	3,227,146.83
Difference:	**3,356,235.17**

Departmental Revenue Analysis

Total by Department

CHAPTER 43 1-B Test:	66,977,709.00
FY98 Revenue Estimate:	62,883,595.00
Base Revenue:	**66,977,709.00**

FY 98 Revenue Estimate:	62,883,595.00
Dept Rev Opt Project Revenue:	18,251,058.00
Total:	81,134,653.00
Base Revenue:	66,977,709.00
Difference:	**14,156,944.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF MENTAL HEALTH**

Project#: R007

Reference: 072 - 07

Description: Retro Billing for suspended Medicaid Services Provided through DMH - Title XIX

Projected Rev: $940,525.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
Description:	RSRC 5239, 5261, 5247 minus IRTP.		
6 Year Revenue Test:	36,065,957.00	CHAPTER 43 1-B Test:	66,977,709.00
FY 98 Revenue Estimate Test :	42,424,145.00	FY 98 Revenue	62,883,595.00
Base Revenue :	**42,424,145.00**	**Base Revenue :**	**66,977,709.00**

Comments: This project was undertaken to review past claims for both Rehab Option and Targeted Case Management services to determine whether previously denied claims could be resubmitted and paid. The project was intended to review and enhance eligibility determination for DMH clients who had received services but who had been determined to be ineligible for Medicaid at the time of the claim, although eligibility was later confirmed for a period which included service provision.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate an complete and comply with all applicable general and special laws and regulations.

Host Department

Signature
DEPARTMENT OF MENTAL HEALTH

DATE 1/30/98

Budget Bureau

Pam MacLeod
Director of Policy Development

DATE 1/30/98

RevOpt Base Revenue Determination by Department

Commonwealth of Massachusetts

Project Information:

Dept: DMH DEPARTMENT OF MENTAL HEALTH

Project#: R007 Reference #: 07 - 072

Description: Retro Billing for suspended Medicaid Services Provided through DMH - Title XIX

Projected Rev: $940,525.00

RFP/Vendor: Public Consulting Group

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY92:	26,604,533.00
FY93:	31,616,679.00
FY94:	31,754,400.00
FY95:	32,088,743.00
FY96:	31,193,386.00
FY97:	36,065,957.00

MMARS
RSRC: RSRC 5239, 5261, 5247 minus IRTP.

Total by Dept Revenue Stream

* 6 Year Revenue Test:	36,065,957.00
FY 98 Revenue Estimate Test:	42,424,145.00
Base Revenue:	42,424,145.00

FY 98 RSRC Revenue Estimate:	42,424,145.00
Total RevOpt Project Revenue:	940,525.00
Associated Revenue Stream:	13,426,533.00
Total:	56,791,203.00
Base Revenue:	42,424,145.00
Difference:	**14,367,058.00**

Departmental Revenue Analysis

Total by Department

CHAPTER 43 1-B Test:	66,977,709.00
FY98 Revenue Estimate:	62,883,595.00
Base Revenue:	66,977,709.00

FY 98 Revenue Estimate:	62,883,595.00
Dept Rev Opt Project Revenue:	18,251,058.00
Total:	81,134,653.00
Base Revenue:	66,977,709.00
Difference:	**14,156,944.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF MENTAL HEALTH**

Project#: R006

Reference: New - New

Description: Rehab Option Rate Adjustment - Title XIX

Projected Rev: $13,426,533.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
Description:	RSRC 5239 and 5261 minus IRTP		
6 Year Revenue Test:	23,248,101.00	CHAPTER 43 1-B Test:	66,977,709.00
FY 98 Revenue Estimate Test :	32,472,351.00	FY 98 Revenue	62,883,595.00
Base Revenue :	**32,472,351.00**	**Base Revenue :**	**66,977,709.00**

Comments: The Department has undertaken to revise rates of payment historically used to reimburse the provision of rehabilitative services rendered in DMH operated or contracted residential programs (Rehab Option). The historical rates significantly under reimbursed the Department for these services and the revisions will bring these rates up to date

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate ar complete and comply with all applicable general and special laws and regulations.

Host Department — Signature — DEPARTMENT OF MENTAL HEALTH — DATE 1/30/98

Budget Bureau — Pam MacLeod, Director of Policy Development — DATE 1/30/98

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DMH DEPARTMENT OF MENTAL HEALTH

Project#: R006 Reference #: New - New

Description: Rehab Option Rate Adjustment - Title XIX

Projected Rev: $13,426,533.00

RFP/Vendor: Andersen Consulting

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	17,978,884.00
FY93:	20,887,403.00
FY94:	21,138,126.00
FY95:	21,599,122.00
FY96:	21,633,276.00
FY97:	23,248,101.00

MMARS

RSRC: RSRC 5239 and 5261 minus IRTP

	Total by Dept Revenue Stream
* 6 Year Revenue Test:	23,248,101.00
FY 98 Revenue Estimate Test:	32,472,351.00
Base Revenue:	32,472,351.00

FY 98 RSRC Revenue Estimate:	32,472,351.00
Total RevOpt Project Revenue:	13,426,533.00
Associated Revenue Stream:	917,525.00
Total:	46,816,409.00
Base Revenue:	32,472,351.00
Difference:	**14,344,058.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 43 1-B Test:	66,977,709.00
FY98 Revenue Estimate:	62,883,595.00
Base Revenue:	66,977,709.00

FY 98 Revenue Estimate:	62,883,595.00
Dept Rev Opt Project Revenue:	18,251,058.00
Total:	81,134,653.00
Base Revenue:	66,977,709.00
Difference:	**14,156,944.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF MENTAL RETARDATION**

Project#: R107

Reference: 14 - A

Description: Increase claiming for administrative costs related to waiver services - Title XIX

Projected Rev: $1,396,215.00

Base Measurement Data:

Revenue Stream Analysis

Description: 5245

6 Year Revenue Test:	149,825,167.00
FY 98 Revenue Estimate Test :	154,100,000.00
Base Revenue :	**154,100,000.00**

Department Analysis

CHAPTER 43 1-B Test:	309,736,400.00
FY 98 Revenue	307,601,585.00
Base Revenue :	**309,736,400.00**

Comments: DMR currently allocates 51.5 FTEs to work on administrative duties connected to waiver services. Duties include billing (2.5 staff), rate setting (2 staff), data entry (5 staff), and MIS operations (5 staff). Adminstrative costs also include regional revenue directors (5 staff), and an investigations unit (35 staff). DMR has not been claiming administrative costs in the waiver and now feels such claims are warranted.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

Signature

DEPT OF MENTAL RETARDATION

DATE 1/30/98

Budget Bureau

Pam MacLeod

Director of Policy Development

DATE 1/30/98

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DMR DEPT OF MENTAL RETARDATION

Project#: R107 Reference #: A - 14

Description: Increase claiming for administrative costs related to waiver services - Title XIX

Projected Rev: $1,396,215.00

RFP/Vendor: Not Determined

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	17,376,933.00
FY93:	39,410,930.00
FY94:	114,787,190.00
FY95:	109,789,017.00
FY96:	128,757,463.00
FY97:	149,825,167.00

MMARS RSRC: 5245

Total by Dept Revenue Stream

* 6 Year Revenue Test:	149,825,167.00
FY 98 Revenue Estimate Test:	154,100,000.00
Base Revenue:	154,100,000.00

FY 98 RSRC Revenue Estimate:	154,100,000.00
Total RevOpt Project Revenue:	1,396,215.00
Associated Revenue Stream:	29,773,817.00
Total:	185,270,032.00
Base Revenue:	154,100,000.00
Difference:	**31,170,032.00**

Departmental Revenue Analysis

Total by Department

CHAPTER 43 1-B Test:	309,736,400.00
FY98 Revenue Estimate:	307,601,585.00
Base Revenue:	309,736,400.00

FY 98 Revenue Estimate:	307,601,585.00
Dept Rev Opt Project Revenue:	31,170,032.00
Total:	338,771,617.00
Base Revenue:	309,736,400.00
Difference:	**29,035,217.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF MENTAL RETARDATION**

Project#: R134

Reference: New - New

Description: Expanded H&CBW to include day services clients. - Title XIX

Projected Rev: $15,000,000.00

Base Measurement Data:

Revenue Stream Analysis

Description: 5245

6 Year Revenue Test:	149,825,167.00
FY 98 Revenue Estimate Test :	154,100,000.00
Base Revenue :	**154,100,000.00**

Department Analysis

CHAPTER 43 1-B Test:	309,736,400.00
FY 98 Revenue	307,601,585.00
Base Revenue :	**309,736,400.00**

Comments: Federal law changes that took effect October 1, 1997 allow DMR to include day services clients in the Home and Community Based Services waiver. With assistance, DMR may be able to amend the waiver and claim retro services provided since October 1.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate an complete and comply with all applicable general and special laws and regulations.

Host Department

Signature

DEPT OF MENTAL RETARDATION

DATE 1/30/98

Budget Bureau

Pam MacLeod

Director of Policy Development

DATE 1/30/98

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DMR DEPT OF MENTAL RETARDATION

Project#: R134 Reference #: New - New

Description: Expanded H&CBW to include day services clients. - Title XIX

Projected Rev: $15,000,000.00

RFP/Vendor: Not Determined

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	17,376,933.00
FY93:	39,410,930.00
FY94:	114,787,190.00
FY95:	109,789,017.00
FY96:	128,757,463.00
FY97:	149,825,167.00

MMARS
RSRC: 5245

Total by Dept Revenue Stream

* 6 Year Revenue Test:	149,825,167.00
FY 98 Revenue Estimate Test:	154,100,000.00
Base Revenue:	154,100,000.00

Departmental Revenue Analysis

Total by Department

CHAPTER 43 1-B Test:	309,736,400.00
FY98 Revenue Estimate:	307,601,585.00
Base Revenue:	309,736,400.00

FY 98 RSRC Revenue Estimate:	154,100,000.00
Total RevOpt Project Revenue:	15,000,000.00
Associated Revenue Stream:	16,170,032.00
Total:	185,270,032.00
Base Revenue:	154,100,000.00
Difference:	**31,170,032.00**

FY 98 Revenue Estimate:	307,601,585.00
Dept Rev Opt Project Revenue:	31,170,032.00
Total:	338,771,617.00
Base Revenue:	309,736,400.00
Difference:	**29,035,217.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF MENTAL RETARDATION**

Project#: R026

Reference: 088 - 10

Description: Obtaining Medicaid FFP through Waiver with MCB - Title XIX

Projected Rev: $14,773,817.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
Description:	5245= MCB + Waiver Rev		
6 Year Revenue Test:	149,825,167.00	CHAPTER 43 1-B Test:	309,736,400.00
FY 98 Revenue Estimate Test :	154,100,000.00	FY 98 Revenue	307,601,585.00
Base Revenue :	**154,100,000.00**	**Base Revenue :**	**309,736,400.00**

Comments: Home and community-based services (H&CBS) were provided to clients of DMR who were also clients of the Massachusetts Commission for the Blind (MCB). DMR paid for these services provided to clients whose primary disability was blindness.

Although DMR has received Medicaid FFP for H&CBS, it has never claimed or received Medicaid FFP for H&CBS provided to clients whose primary disability, and Medicaid eligibility, was determined by their blindness. MCB has also never claimed Medicaid FFP for these services.

For this project to be successful, the Department of Medical Assiatance (DMA) would work with the Health Care Financing Agency (HCFA) to justify these claims under the state plan.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

Signature — DATE 1/30/98

DEPT OF MENTAL RETARDATION

Budget Bureau

Pam MacLeod — DATE 1/30/98

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DMR DEPT OF MENTAL RETARDATION

Project#: R026 Reference #: 10 - 088

Description: Obtaining Medicaid FFP through Waiver with MCB - Title XIX

Projected Rev: $14,773,817.00

RFP/Vendor: PCG/DMA

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source	
FY92:	17,376,933.00
FY93:	39,410,930.00
FY94:	114,787,190.00
FY95:	109,789,017.00
FY96:	128,757,463.00
FY97:	149,825,167.00

MMARS
RSRC: 5245= MCB + Waiver Rev

	Total by Dept Revenue Stream
* 6 Year Revenue Test:	149,825,167.00
FY 98 Revenue Estimate Test:	154,100,000.00
Base Revenue:	154,100,000.00

FY 98 RSRC Revenue Estimate:	154,100,000.00
Total RevOpt Project Revenue:	14,773,817.00
Associated Revenue Stream:	16,396,215.00
Total:	185,270,032.00
Base Revenue:	154,100,000.00
Difference:	**31,170,032.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 43 1-B Test:	309,736,400.00
FY98 Revenue Estimate:	307,601,585.00
Base Revenue:	309,736,400.00

FY 98 Revenue Estimate:	307,601,585.00
Dept Rev Opt Project Revenue:	31,170,032.00
Total:	338,771,617.00
Base Revenue:	309,736,400.00
Difference:	**29,035,217.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF SOCIAL SERVICES**

Project#: R168

Reference: New - New

Description: Collaborative Assessment Program - Title IV-E

Projected Rev: $50,000.00

Base Measurement Data:

Revenue Stream Analysis

Description: Zero Base

6 Year Revenue Test:	0.00
FY 98 Revenue Estimate Test :	0.00
Base Revenue :	**0.00**

Department Analysis

See Attached

Comments: The Collaborative Assesment Program is a joint project between the Department of Social Services and the Department of Mental Health. This 35 day program assesses the needs of children to determine appropriate services and may be Medicaid eligible.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate ar complete and comply with all applicable general and special laws and regulations.

Host Department _____ 1/30/98
Signature — DATE
DEPARTMENT OF SOCIAL SERVICES

Budget Bureau _____ 1/30/98
Pam MacLeod — DATE
Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DSS DEPARTMENT OF SOCIAL SERVICES

Project#: R168 Reference #: New - New

Description: Collaborative Assessment Program - Title IV-E

Projected Rev: $50,000.00

RFP/Vendor: Not Determined

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00
FY96:	0.00
FY97:	0.00

MMARS
RSRC: Zero Base

Total by Dept Revenue Stream

* 6 Year Revenue Test:	0.00
FY 98 Revenue Estimate Test:	0.00
Base Revenue:	0.00

FY 98 RSRC Revenue Estimate:	0.00
Total RevOpt Project Revenue:	50,000.00
Associated Revenue Stream:	0.00
Total:	50,000.00
Base Revenue:	0.00
Difference:	**50,000.00**

Departmental Revenue Analysis

See Attached

Revenue Optimization Department Base Determination

Department: DEPARTMENT OF SOCIAL SERVICES (DSS)
Project#: R044, R046, R168

Department Base Revenue Analysis

(a)	CHAPTER 43, 1B Test	216,950,812
(b)	FY98 Revenue Estimate:	214,907,166
	Base Revenue *(a or b, whichever is higher)*:	**216,950,812**

FY 98 Revenue Estimate: 214,907,166
Dept Rev Opt Project Revenue: 1,987,961

Total: 216,895,127

BASE REVENUE: 216,950,812

Difference: (55,685)

Revised Department Base Revenue Analysis

(a)	CHAPTER 43, 1B Test	216,950,812
(b)	CHAPTER 43, 1-B Test, Adjusted:	**214,907,166***
(c)	FY98 Revenue Estimate:	214,907,166
	Base Revenue *(b or c, whichever is higher)*:	**214,907,166**

FY 98 Revenue Estimate: 214,907,166
Dept Rev Opt Project Revenue: 1,987,961

Total: 216,895,127

REVISED BASE REVENUE: 214,907,166

Difference: 1,987,961

* We are proposing a revision to the department base revenue test, or base target, for DSS. Chapter 43, Section 1B includes a total departmental revenue estimate of $216,950,812. This estimate included $54,344,978 for the State Fiscal Year 1998 allocation of the Social Services Block Grant (SSBG), which has since been reduced by $1,368,554 to $52,976,424. The Commonwealth's share of the SSBG was not finalized until the beginning of the federal fiscal year in October, 1997, by which time the GAA had already taken effect.
Similarly, the Chapter 43, Section 1B estimate included $97,180,354 for federal reimbursement under Title IV-E. After this estimate was published in the GAA, the federal government advised DSS of a repayment mechanism for a disallowance related to reimbursement they received during 1989 and 1990. Thus, while the Department still anticipates being eligible for $97,180,354 in IV-E reimbursement in FY98, the repayment of the disallowance will reduce the actual revenue collected to $92,332,279.

Due to strength in other areas of revenue collection, the Section IB estimate does not need to be reduced by the total of SSBG and Title IV-E reductions. A reduction of $2,043,646 would bring the Section IB revenue estimate in line with the most recent FAD projection for FY98 DSS revenue, which the Department still feels is an attainable target, given higher than projected collections in areas other than SSBG and Title IV-E.

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF SOCIAL SERVICES**

Project#: R044

Reference: 113 - 16

Description: Medicaid Targeted Case Management for DSS - Title XIX

Projected Rev: $148,787.00

Base Measurement Data:

Revenue Stream Analysis

Description: 5247

6 Year Revenue Test:	10,539,795.00
FY 98 Revenue Estimate Test :	10,893,292.00
Base Revenue :	**10,893,292.00**

Department Analysis

See Attached

Comments: DSS caseworkers coordinate and refer Medicaid covered services for Medicaid eligible consumers. These case management activities are reimbursable as an optional targeted case management service under Federal Medicaid regulations. However, DSS has been incurring the full cost of these services. In June 1994, Medicaid approved a state plan amendment which allows for retroactive claiming for targeted case management services rendered on or after July 1, 1994.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate an complete and comply with all applicable general and special laws and regulations.

Host Department Signature — DATE 1/30/98

DEPARTMENT OF SOCIAL SERVICES

Budget Bureau Pamela MacLeod — DATE 1/30/98

Pam MacLeod

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DSS DEPARTMENT OF SOCIAL SERVICES

Project#: R044 Reference #: 16 - 113

Description: Medicaid Targeted Case Management for DSS - Title XIX

Projected Rev: $148,787.00

RFP/Vendor: Andersen Consulting /Public Consulting Group

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00
FY96:	0.00
FY97:	10,539,795.00

MMARS
RSRC: 5247

Total by Dept Revenue Stream

* 6 Year Revenue Test:	10,539,795.00
FY 98 Revenue Estimate Test:	10,893,292.00
Base Revenue:	10,893,292.00

FY 98 RSRC Revenue Estimate:	10,893,292.00
Total RevOpt Project Revenue:	148,787.00
Associated Revenue Stream:	0.00
Total:	11,042,079.00
Base Revenue:	10,893,292.00
Difference:	**148,787.00**

Departmental Revenue Analysis

See Attached

Revenue Optimization Department Base Determination

Department: DEPARTMENT OF SOCIAL SERVICES (DSS)
Project#: R044, R046, R168

Department Base Revenue Analysis

(a)	CHAPTER 43, 1B Test	216,950,812
(b)	FY98 Revenue Estimate:	214,907,166
	Base Revenue *(a or b, whichever is higher)*:	**216,950,812**

FY 98 Revenue Estimate: 214,907,166
Dept Rev Opt Project Revenue: 1,987,961

Total: 216,895,127

BASE REVENUE: 216,950,812

Difference: (55,685)

Revised Department Base Revenue Analysis

(a)	CHAPTER 43, 1B Test	216,950,812
(b)	CHAPTER 43, 1-B Test, Adjusted:	**214,907,166***
(c)	FY98 Revenue Estimate:	214,907,166
	Base Revenue *(b or c, whichever is higher)*:	**214,907,166**

FY 98 Revenue Estimate: 214,907,166
Dept Rev Opt Project Revenue: 1,987,961

Total: 216,895,127

REVISED BASE REVENUE: 214,907,166

Difference: 1,987,961

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* We are proposing a revision to the department base revenue test, or base target, for DSS. Chapter 43, Section 1B includes a total departmental revenue estimate of $216,950,812. This estimate included $54,344,978 for the State Fiscal Year 1998 allocation of the Social Services Block Grant (SSBG), which has since been reduced by $1,368,554 to $52,976,424. The Commonwealth's share of the SSBG was not finalized until the beginning of the federal fiscal year in October, 1997, by which time the GAA had already taken effect.
Similarly, the Chapter 43, Section 1B estimate included $97,180,354 for federal reimbursement under Title IV-E. After this estimate was published in the GAA, the federal government advised DSS of a repayment mechanism for a disallowance related to reimbursement they received during 1989 and 1990. Thus, while the Department still anticipates being eligible for $97,180,354 in IV-E reimbursement in FY98, the repayment of the disallowance will reduce the actual revenue collected to $92,332,279.

Due to strength in other areas of revenue collection, the Section IB estimate does not need to be reduced by the total of SSBG and Title IV-E reductions. A reduction of $2,043,646 would bring the Section IB revenue estimate in line with the most recent FAD projection for FY98 DSS revenue, which the Department still feels is an attainable target, given higher than projected collections in areas other than SSBG and Title IV-E.

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF SOCIAL SERVICES**

Project#: R046

Reference: 131 - 16

Description: Medicaid Rehabilitation - Title XIX

Projected Rev: $1,789,174.00

Base Measurement Data:

Revenue Stream Analysis

Description: 5202

6 Year Revenue Test:	5,050,713.36
FY 98 Revenue Estimate Test :	4,415,235.00
Base Revenue :	**5,050,713.36**

Department Analysis

See Attached

Comments: DSS places children in out-of-home residential rehabilitation programs such as group homes and Commonworks facilities, which are clinical treatment facilities. DSS has incurred the full cost of treatment services provided to Medicaid eligible consumers in out-of-home residential rehabilitation programs.

This project will enable DSS to receive Medicaid FFP for services provided under the Medicaid Rehabilitation Option.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate an complete and comply with all applicable general and special laws and regulations.

Host Department _____ 1/30/98
Signature — DATE
DEPARTMENT OF SOCIAL SERVICES

Budget Bureau _____ 1/30/98
Pam MacLeod — DATE
Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DSS DEPARTMENT OF SOCIAL SERVICES

Project#: R046 Reference #: 16 - 131

Description: Medicaid Rehabilitation - Title XIX

Projected Rev: $1,789,174.00

RFP/Vendor: Andersen Consulting /Public Consulting Group

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	946,592.00
FY96:	2,169,257.00
FY97:	5,050,713.36

MMARS
RSRC: 5202

Total by Dept Revenue Stream

* 6 Year Revenue Test:	5,050,713.36
FY 98 Revenue Estimate Test:	4,415,235.00
Base Revenue:	5,050,713.36

FY 98 RSRC Revenue Estimate:	4,415,235.00
Total RevOpt Project Revenue:	1,789,174.00
Associated Revenue Stream:	0.00
Total:	6,204,409.00
Base Revenue:	5,050,713.36
Difference:	**1,153,695.64**

Departmental Revenue Analysis

See Attached

Revenue Optimization Department Base Determination

Department: DEPARTMENT OF SOCIAL SERVICES (DSS)
Project#: R044, R046, R168

Department Base Revenue Analysis

(a)	CHAPTER 43, 1B Test	216,950,812
(b)	FY98 Revenue Estimate:	214,907,166
	Base Revenue *(a or b, whichever is higher)*:	**216,950,812**

FY 98 Revenue Estimate: 214,907,166
Dept Rev Opt Project Revenue: 1,987,961

Total: 216,895,127

BASE REVENUE: 216,950,812

Difference: (55,685)

Revised Department Base Revenue Analysis

(a)	CHAPTER 43, 1B Test	216,950,812
(b)	CHAPTER 43, 1-B Test, Adjusted:	**214,907,166***
(c)	FY98 Revenue Estimate:	214,907,166
	Base Revenue *(b or c, whichever is higher)*:	**214,907,166**

FY 98 Revenue Estimate: 214,907,166
Dept Rev Opt Project Revenue: 1,987,961

Total: 216,895,127

REVISED BASE REVENUE: 214,907,166

Difference: 1,987,961

* We are proposing a revision to the department base revenue test, or base target, for DSS. Chapter 43, Section 1B includes a total departmental revenue estimate of $216,950,812. This estimate included $54,344,978 for the State Fiscal Year 1998 allocation of the Social Services Block Grant (SSBG), which has since been reduced by $1,368,554 to $52,976,424. The Commonwealth's share of the SSBG was not finalized until the beginning of the federal fiscal year in October, 1997, by which time the GAA had already taken effect.
Similarly, the Chapter 43, Section 1B estimate included $97,180,354 for federal reimbursement under Title IV-E. After this estimate was published in the GAA, the federal government advised DSS of a repayment mechanism for a disallowance related to reimbursement they received during 1989 and 1990. Thus, while the Department still anticipates being eligible for $97,180,354 in IV-E reimbursement in FY98, the repayment of the disallowance will reduce the actual revenue collected to $92,332,279.

Due to strength in other areas of revenue collection, the Section IB estimate does not need to be reduced by the total of SSBG and Title IV-E reductions. A reduction of $2,043,646 would bring the Section IB revenue estimate in line with the most recent FAD projection for FY98 DSS revenue, which the Department still feels is an attainable target, given higher than projected collections in areas other than SSBG and Title IV-E.

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF YOUTH SERVICES**

Project#: R118

Reference: 25 - A

Description: Residential Rehabilitative Services option/XIX for youths in residential settings, not lock-ups - Title XIX

Projected Rev: $2,150,000.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
Description:	Zero Base		
6 Year Revenue Test:	0.00	CHAPTER 43 1-B Test:	73,748.00
FY 98 Revenue Estimate Test :	0.00	FY 98 Revenue	50,300.00
Base Revenue :	**0.00**	**Base Revenue :**	**73,748.00**

Comments: DYS has over 400 youths statewide in "unlocked" residential placements. This opportunity would generate revenue through enrolling providers in the Residential Rehabilitative Services Option and claiming Medicaid reimbursements for services rendered to Medicaid eligible youths.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Signature — DEPARTMENT OF YOUTH SERVICES — DATE 1/30/98

Budget Bureau Pam MacLeod, Director of Policy Development — DATE 1/30/98

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DYS DEPARTMENT OF YOUTH SERVICES

Project#: R118 Reference #: A - 25

Description: Residential Rehabilitative Services option/XIX for youths in residential settings, not lock-ups - Title XIX

Projected Rev: $2,150,000.00

RFP/Vendor: Not Determined

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00
FY96:	0.00
FY97:	0.00

MMARS
RSRC: Zero Base

Total by Dept Revenue Stream

* 6 Year Revenue Test:	0.00
FY 98 Revenue Estimate Test:	0.00
Base Revenue:	0.00

Departmental Revenue Analysis

Total by Department

CHAPTER 43 1-B Test:	73,748.00
FY98 Revenue Estimate:	50,300.00
Base Revenue:	73,748.00

FY 98 RSRC Revenue Estimate:	0.00
Total RevOpt Project Revenue:	2,150,000.00
Associated Revenue Stream:	0.00
Total:	2,150,000.00
Base Revenue:	0.00
Difference:	**2,150,000.00**

FY 98 Revenue Estimate:	50,300.00
Dept Rev Opt Project Revenue:	2,650,000.00
Total:	2,700,300.00
Base Revenue:	73,748.00
Difference:	**2,626,552.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF YOUTH SERVICES**

Project#: R119

Reference: 26 - A

Description: Title IV-E reimbursement for youths who are eligible when entering DYS care - Title IV-E

Projected Rev: $500,000.00

Base Measurement Data:

Revenue Stream Analysis

Description: Zero Base

6 Year Revenue Test:	0.00
FY 98 Revenue Estimate Test :	0.00
Base Revenue :	**0.00**

Department Analysis

CHAPTER 43 1-B Test:	73,748.00
FY 98 Revenue	50,300.00
Base Revenue :	**73,748.00**

Comments: The Department of Youth Services has approximately 700 youths who entered its system via the Department of Social Services. Some subset of that population is determined to be Title IV-E eligible while in Foster Care with DSS. DYS also has residential placements that could be considered IV-E eligible placements, not lock-ups. Revenue would be generated by claiming Title IV-E reimbursements for youths who were placed in IV-E eligible placements and have been eligible while in DSS Foster Care.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate a complete and comply with all applicable general and special laws and regulations.

Host Department

Signature

DEPARTMENT OF YOUTH SERVICES

DATE 1/30/98

Budget Bureau

Pam MacLeod

Director of Policy Development

DATE 1/30/98

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DYS DEPARTMENT OF YOUTH SERVICES

Project#: R119 Reference #: A - 26

Description: Title IV-E reimbursement for youths who are eligible when entering DYS care - Title IV-E

Projected Rev: $500,000.00

RFP/Vendor: Not Determined

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00
FY96:	0.00
FY97:	0.00

MMARS RSRC: Zero Base

Total by Dept Revenue Stream

* 6 Year Revenue Test:	0.00
FY 98 Revenue Estimate Test:	0.00
Base Revenue:	0.00

Departmental Revenue Analysis

Total by Department

CHAPTER 43 1-B Test:	73,748.00
FY98 Revenue Estimate:	50,300.00
Base Revenue:	73,748.00

FY 98 RSRC Revenue Estimate:	0.00
Total RevOpt Project Revenue:	500,000.00
Associated Revenue Stream:	0.00
Total:	500,000.00
Base Revenue:	0.00
Difference:	**500,000.00**

FY 98 Revenue Estimate:	50,300.00
Dept Rev Opt Project Revenue:	2,650,000.00
Total:	2,700,300.00
Base Revenue:	73,748.00
Difference:	**2,626,552.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **MASSACHUSETTS HIGHWAY DEPT**

Project#: R094

Reference: 1 - A

Description: Lease arrangements with wireless communications firms - Fees

Projected Rev: $200,000.00

Base Measurement Data:

Revenue Stream Analysis

Description: Zero Base

6 Year Revenue Test:	0.00
FY 98 Revenue Estimate Test :	0.00
Base Revenue :	**0.00**

Department Analysis

See Attached

Comments: In an effort to expand service delivery, telecommunications firms have contacted several state agencies to construct antennae on state-owned property. The Massachusetts Highway Department was one of the first such agencies contacted to discuss entering into long term leases with the State.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate an complete and comply with all applicable general and special laws and regulations.

Host Department

Sue Bustol
Signature
MASSACHUSETTS HIGHWAY DEPT

1/30/98
DATE

Budget Bureau

Pamela MacLeod
Pam MacLeod
Director of Policy Development

1/30/98
DATE

RevOpt Base Revenue Determination by Department

Commonwealth of Massachusetts

Project Information:

Dept: MHD MASSACHUSETTS HIGHWAY DEPT

Project#: R094 Reference #: A - 1

Description: Lease arrangements with wireless communications firms - Fees

Projected Rev: $200,000.00

RFP/Vendor: Not Determined

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00
FY96:	0.00
FY97:	0.00

MMARS
RSRC: Zero Base

Total by Dept Revenue Stream

* 6 Year Revenue Test:	0.00
FY 98 Revenue Estimate Test:	0.00
Base Revenue:	0.00

FY 98 RSRC Revenue Estimate:	0.00
Total RevOpt Project Revenue:	200,000.00
Associated Revenue Stream:	0.00
Total:	200,000.00
Base Revenue:	0.00
Difference:	**200,000.00**

Departmental Revenue Analysis

See Attached

Revenue Optimization Department Base Determination

Department: Massachusetts Highway Dept (DPW)

Project#: R094

Department Base Revenue Analysis

(a)	CHAPTER 43, 1B Test	7,268,000
(b)	FY98 Revenue Estimate:	6,424,404
	Base Revenue *(a or b, whichever is higher)*:	**7,268,000**

FY 98 Revenue Estimate: 6,424,404.00
Dept Rev Opt Project Revenue: 200,000.00

Total: 6,624,404.00

BASE REVENUE: **7,268,000.00**

Difference: **(643,596.00)**

Revised Department Base Revenue Analysis

(a)	CHAPTER 43, 1-B Test	7,268,000
(b)	CHAPTER 43, 1-B Test, Adjusted:	6,424,404*
(c)	FY98 Revenue Estimate:	6,424,404
	Base Revenue *(b or c, whichever is higher)*:	**6,424,404**

FY 98 Revenue Estimate: 6,424,404
Dept Rev Opt Project Revenue: 200,000

Total: 6,624,404

REVISED BASE REVENUE: **6,424,404**

Difference: **200,000**

* We are proposing a revision to the department base revenue test, or base target for DPW. Chapter 43, Section 1B includes a revenue estimate of $7,268,000, which is $843,596 higher than DPW and FAD expectations. DPW's FY98 revenue estimates include the following:

Debt Collection	$3,000
Licenses and Fees	$473,000
Curb Cuts	$277,000
Non-Reducible Load	$900,000
Reimb Highways & Bridges	$285,000
Rents & Sales	$1,512,404
Federal	$2,970,000
Miscellaneous	$4,000
Total	$6,424,404

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